

CHAPIN FITZGERALD SULLIVAN & BOTTINI LLP

Kenneth M. Fitzgerald, Esq. (SBN: 142505)

kfitzgerald@cfsblaw.com

Douglas J. Brown, Esq. (SBN: 248673)

dbrown@cfsblaw.com

550 West "C" Street, Suite 2000

San Diego, California 92101

Tel: (619) 241-4810

Fax: (619) 955-5318

Attorneys for Plaintiff

InnovaSystems International, LLC

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF CALIFORNIA

INNOVASYSTEMS INTERNATIONAL, a)	Case No.: '12CV1239 W BGS
California limited liability company,)	
)	
Plaintiff,)	COMPLAINT FOR
v.)	MISAPPROPRIATION OF TRADE
)	SECRETS, BREACH OF FIDUCIARY
)	DUTY, BREACH OF CONTRACT,
GLENN PIPER, an individual, and DAVID)	TRADE LIBEL, INTENTIONAL
ARMGA, an individual, ARMGASYS, INC.,)	INTERFERENCE WITH PROSPECTIVE
an Idaho corporation, ARMGA)	ECONOMIC ADVANTAGE, UNFAIR
CONSULTING, LLC, an Idaho limited)	BUSINESS PRACTICES
liability company,)	
)	
Defendants.)	JURY TRIAL DEMANDED
)	
)	
)	
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Plaintiff, INNOVASYSTEMS INTERNATIONAL, ("INNOVA"), for its Complaint
against defendants GLENN PIPER ("PIPER") and DAVID ARMGA ("ARMGA"),
ARMAGASYS, INC. and ARMGA CONSULTING, LLC, alleges as follows:

THE PARTIES

1
2 1. INNOVA is a limited liability company, organized and existing under the laws
3 of the State of California, with its principal place of business in San Diego, California.
4 INNOVA is in the business of providing leading edge information and technology solutions,
5 including software application development, engineering and consulting services for the federal
6 government, and in particular, the Department of Defense. Virtually all of INNOVA's work is
7 confidential, deemed "classified," requires security clearance, and involves matters of national
8 security.

9 2. PIPER is an individual residing in Idaho. PIPER was formerly employed by
10 INNOVA at one of its commercial facilities in Boise, Idaho. PIPER is a software engineer and
11 developer.

12 3. ARMGA is an individual residing in Idaho. ARMGA was formerly employed
13 by INNOVA at the same commercial facility in Boise, Idaho where Defendant PIPER also
14 worked. ARMGA is a software engineer and developer and served INNOVA as a project lead
15 and manager.

16 4. ARMGASYS, INC. ("ARMGASYS") is an Idaho corporation, with its principal
17 place of business in Meriden, Idaho. On information and belief, ARMGASYS was formerly
18 known as Armga Integrated Systems, Inc., and was formed by ARMGA, during the time he
19 was employed by INNOVA, for the purpose of competing against INNOVA, using INNOVA's
20 trade secrets and confidential information. On information and belief, ARMGASYS is the alter
21 ego of ARMGA insofar as it is inadequately capitalized, has no functional officers or directors,
22 fails to observe corporate formalities, and has co-mingled assets with ARMGA. Justice and
23 equity can only be accomplished, and fraud and unfairness can only be defeated, by piercing
24 the corporate veil of ARMGASYS and disregarding its corporate form.

25 5. ARMGA CONSULTING, LLC ("ARMGA CONSULTING") is an Idaho
26 limited liability company, with its principal place of business in Nampa, Idaho. On information
27 and belief, ARMGA CONSULTING is the alter ego of ARMGA insofar as it is inadequately
28 capitalized, has no functional officers or directors, fails to observe corporate formalities, and

1 has co-mingled assets with ARMGA. Justice and equity can only be accomplished, and fraud
2 and unfairness can only be defeated, by piercing the corporate veil of ARMGASYS and
3 disregarding its corporate form.

4 6. In doing the things herein alleged, each defendant was acting as the agent,
5 servant, accomplice and co-conspirator of the other.

6 **JURISDICTION AND VENUE**

7 7. This Court has subject matter jurisdiction over this case pursuant to 28 U.S.C. §
8 1332 because the matter in controversy exceeds \$75,000.00 exclusive of interest and costs, and
9 is a dispute between citizens of different states. Venue is proper under 28 U.S.C. § 1391(a).

10 8. The contracts at issue between the parties were entered into in San Diego,
11 California. The contracts involved some performance by Defendants ARMGA and PIPER
12 outside of San Diego, but their contract performance activities were most often completed in
13 San Diego when these Defendants delivered the completed component parts of certain software
14 development activities to INNOVA at INNOVA's San Diego offices, for integration by
15 INNOVA into its other contract work for the Department of Defense, often for SPAWAR,
16 located in San Diego, California. In addition, the Employment Agreements entered by
17 Defendants ARMGA and PIPER are governed by California law, and the parties agreed that
18 disputes under those agreements would be resolved through arbitration in San Diego,
19 California, such that Defendants purposely availed themselves of the benefits of California law
20 and could reasonably foresee being subject to jurisdiction of courts in California. Therefore,
21 the Court has personal jurisdiction over defendants.

22 **FACTS**

23 9. In or about November, 2005, INNOVA hired ARMGA as a Senior Software
24 Engineer and Systems Analyst for its Idaho base of operations, acting as a group leader.
25 INNOVA conducts business operations for the Department of Defense for the United States
26 government at various locations designated by the Department of Defense. On November 1,
27 2005, INNOVA entered into a written Employment Agreement with ARMGA encompassing
28 the work ARMGA would perform for INNOVA, and the terms and conditions of that

1 employment. ARMGA executed the Employment Agreement. A copy of the INNOVA-
2 ARMGA Employment Agreement is attached to this complaint as Exhibit A.

3 10. In or about October 2006, INNOVA hired PIPER as a Software Engineer for its
4 Idaho based operations. On October 10, 2006, as part of PIPER's employment at INNOVA,
5 the parties entered into a written Employment Agreement wherein PIPER contracted for and
6 agreed to work for INNOVA at INNOVA's commercial base of operations in Boise, Idaho.
7 PIPER executed the Employment Agreement. A copy of the INNOVA-PIPER Employment
8 Agreement is attached to this Complaint as Exhibit B.

9 11. According to each Employment Agreement, both ARMGA and PIPER agreed as
10 follows:

11 **"7. LIMITATION ON OTHER ACTIVITY**

12 During the term of this Agreement, EMPLOYEE shall not
13 participate in other business or professional activities that may
14 impinge or interfere, either directly or indirectly, with the full
15 devotion and dedication of EMPLOYEE to the business of
16 EMPLOYER. . . . During the term of this Agreement and for a
17 period of one year after termination of this Agreement, the
18 EMPLOYEE agrees to refrain from soliciting or accepting
19 offers of temporary or consulting employment with any Client
20 introduced to the EMPLOYEE by the EMPLOYER without the
21 prior written consent of InnovaSystems. The EMPLOYEE
22 agrees not to accept offers of temporary or consulting
23 employment with any Client who the EMPLOYEE interviews
24 with as a result of an interview arranged by EMPLOYER
25 without the express written consent of InnovaSystems for the
26 term of this Agreement and for a period of one year after the
27 termination of this Agreement."

28 12. As part of ARMGA and PIPER'S employment at INNOVA, each Defendant
was required to acknowledge reading and receiving INNOVA's Employee Policy Manual. In
or about November 2005, ARMGA executed such an Acknowledgment, informing INNOVA
that he had acknowledged receiving a copy of the Employee Manual, and further
acknowledging that it was his responsibility to read the manual and to comply with its policies,
practices and rules of employment. In or about October 2006, PIPER executed such an
Acknowledgement, also informing INNOVA that he had acknowledged receiving a copy of
the Employee Manual, and further acknowledging that it was his responsibility to read the
manual and to comply with its policies, practices and rules of employment. A signed copy of

1 ARMGA's Acknowledgment of the Employee Policy Manual is attached hereto as Exhibit C.
2 A signed copy of PIPER's Acknowledgment of the Employee Policy Manual is attached hereto
3 as Exhibit D. Under the terms of the company's Employee Policy Manual, there is an
4 acknowledgment in Paragraph 4.12, entitled "Trade Secret Protection" that the company was
5 the owner of all trade secrets developed by the employee during the performance of duties as
6 an employee of INNOVA, that trade secrets included all of the company's confidential and
7 proprietary information and that the company treated all of its trade secrets and proprietary
8 information as confidential, to be protected from misuse. A copy of the relevant portions of
9 the INNOVA Employment Policy Manual is attached hereto as Exhibit E.

10 13. As a trusted manager, ARMGA was also required to take training courses
11 regarding the highly sensitive and confidential nature of INNOVA's salary formulations and
12 competitive labor rates. In this training, which ARMGA acknowledged taking and
13 understanding, it was emphasized that INNOVA's salary and billing rate information was
14 "Company Confidential," and could not be disclosed or discussed outside of key directors and
15 project managers with a need to know this information. It was also emphasized that
16 INNOVA's labor rates were its "key to competitive edge" and ARMGA was trained that salary
17 and rate information was to be maintained in the strictest confidence.

18 14. Pursuant to ARMGA's and PIPER's employment with INNOVA, ARMGA and
19 PIPER acknowledged that any and all client information obtained during his employment with
20 INNOVA was confidential information that belonged to INNOVA, that ARMGA and/or
21 PIPER would not disclose at any time during or after his employment with INNOVA.

22 15. In addition, due to the sensitive work performed by INNOVA for the
23 Department of Defense and the highly confidential nature of that work, ARMGA and PIPER
24 acknowledged that the disclosure of any confidential information would result in injury to
25 INNOVA and injure its reputation and impair its ability to perform further work for the federal
26 government and, in particular, the Department of Defense.

27 16. Accordingly, ARMGA and PIPER acknowledged that each would hold such
28 information in confidence, during and after his employment with INNOVA, and not discuss,

1 communicate or transmit the information, except to further the interests of INNOVA.

2 ARMGA and PIPER also agreed not to solicit INNOVA clients for 12 months following the
3 termination of his employment.

4 17. The information to which ARMGA and PIPER had access was gathered over
5 many years and contained confidential, nonpublic information about INNOVA, the
6 Department of Defense, its systems, its strategic initiatives and its future plans and projects.

7 18. ARMGA and PIPER worked together at INNOVA on the same team, focusing
8 on the same projects, working closely together on such projects on a daily basis. ARMGA
9 served in a lead role, acting as a valued, trusted, team leader, frequently interfacing with
10 INNOVA's customer, and by virtue of his trusted, lead capacity, gained unique access to many
11 confidential aspects of INNOVA's relationship with its customer, including such critical
12 information as the opportunity to bid for contracts with that customer, the value and pricing of
13 work product, hourly rates, contract values, timelines for project completion, staffing of
14 projects, unique customer needs, as well as the timing and funding of projects for INNOVA's
15 customer. As part of ARMGA's status as a trusted leader, ARMGA was uniquely positioned
16 to control INNOVA's relationship with its customer, and was knowledgeable about such
17 confidential information as contract numbers, labor categories, labor hours distribution,
18 company proprietary rates and overhead rates, the time of completion of projects, and the
19 quality and security documentation and information of the actual work performed. As a lead
20 manager responsible for preparing contract proposals, ARMGA had access to and used this
21 confidential, trade secret information.

22 19. On or about January 21, 2011, ARMGA gave notice to INNOVA that he would
23 be resigning at the end of the month. ARMGA resigned effective January 31, 2011. ARMGA
24 informed INNOVA that he was going to return to teaching, which INNOVA later learned was
25 false. ARMGA's departure came at a curiously critical time in INNOVA's work at its Idaho
26 operations, in that the project that ARMGA was most integrally involved with was about to be
27 the subject of a new contract between INNOVA and its customer. Before resigning and ending
28 his employment, ARMGA permanently deleted all of the documents on his computer, and he

1 permanently deleted all of his Outlook emails, including all of his “deleted” and “sent”
2 messages. INNOVA’s subsequent computer forensic inspection revealed the reason why
3 ARMGA took these highly unusual steps: he was destroying evidence of his unlawful
4 behavior.

5 20. Through computer forensic investigation, INNOVA learned that two days
6 before he announced his resignation, ARMGA accessed a number of highly confidential,
7 proprietary documents containing sensitive cost estimates, project plans, and other contract
8 information relating to INNOVA’s pending contract award with its customer, as well as
9 confidential TFS systems/data information, a process tracker tool, CNI system information,
10 and FOM (Figure of Merit) processes and systems information. These secret project
11 management, cost, pricing and technical documents constitute INNOVA’s trade secrets,
12 because they contain information not known to industry participants or the general public,
13 which information gave INNOVA an economic advantage in its ability to win and renew its
14 contracts, and because INNOVA takes reasonable measures to protect their secrecy. Armed
15 with these documents or the information in them, a competitor could easily undercut
16 INNOVA’s pricing, and otherwise shape a competing bid to win INNOVA’s business, using
17 INNOVA’s confidential information. The information in these documents was developed at
18 considerable effort and expense by INNOVA, and ARMGA had no legitimate reason to access
19 these documents, in light of his plan to quit his employment at INNOVA and work in a
20 competing venture.

21 21. INNOVA also subsequently learned, after ARMGA departed his employ at
22 INNOVA, that months prior to announcing his departure from the employ of INNOVA,
23 ARMGA had started working on the side at a competing business in Boise, Idaho. Working
24 on the side violated the terms of ARMGA’s employment agreement with INNOVA. The name
25 of that business enterprise was Armga Integrated Systems, Inc., a corporation formed
26 September 8, 2010, nearly four months before ARMGA announced his resignation from
27 INNOVA. INNOVA learned that while working as the lead project manager for INNOVA’s
28 Boise Idaho operations, ARMGA was actively involved with Armga Integrated Systems, Inc.,

1 and/or ARMGA CONSULTING, using INNOVA's confidential information that ARMGA
2 accessed and acquired by virtue of his employment capacity at INNOVA, in order to
3 improperly compete with INNOVA, to improperly solicit work from INNOVA's customer,
4 and to undermine INNOVA's relationship with its customer, all for ARMGA's personal
5 advantage.

6 22. ARMGA used INNOVA's confidential customer information and trade secrets
7 both prior to and after his resignation to unlawfully compete with INNOVA, and to induce
8 defendant PIPER to work with him in competition with INNOVA.

9 23. In March 2011, PIPER resigned from INNOVA, giving only three days' notice
10 of his planned departure. He informed INNOVA that he was leaving to work with his wife in
11 her candle selling business, which was false. When he was specifically asked whether he was
12 going to work with ARMGA or for INNOVA's government customer, he replied, "None of
13 your business."

14 24. Computer forensic investigation has revealed the real reasons for PIPER's
15 abrupt departure, his misrepresentation concerning his future plans, and his refusal to disclose
16 his real plans. That investigation shows that that shortly before announcing his resignation
17 from INNOVA, PIPER accessed and downloaded a large volume of confidential INNOVA
18 documents containing INNOVA's trade secrets. The volume of documents downloaded, and
19 the types of documents downloaded, were unnecessary to any legitimate job performance
20 requirements he had at INNOVA.

21 25. Before announcing his near-immediate resignation from INNOVA, PIPER was
22 also communicating by email with ARMGA CONSULTING, to an email account of
23 **glenn.piper@armgallc.com**, without any apparent legitimate justification for doing so. On
24 information and belief, he did so in order to assist ARMGA and his companies in their
25 unlawful schemes to compete unfairly against INNOVA, using INNOVA's trade secrets.
26 PIPER, along with ARMGA, used electronic means to gain access to confidential trade secret
27 content owned by INNOVA. On information and belief, using such improper means, they then
28 forwarded, via email (including the use of an email address through Armga Integrated LLC) to

1 a personal computer and/or use of a removable media, various confidential trade secret
2 documents of INNOVA, all of which is information subject to written confidentiality
3 agreements between INNOVA, ARMGA and PIPER, and between INNOVA and its customer.

4 26. The information that PIPER had access to and secretly took was confidential
5 trade secret information gathered over many years by INNOVA. Such information included
6 confidential, nonpublic matter regarding INNOVA, the Department of Defense, the
7 Department of Defense initiatives, and related matters.

8 27. The information and documents that ARMGA and PIPER unlawfully accessed
9 and downloaded were subject to reasonable efforts by INNOVA to maintain their secrecy,
10 including, but not limited to restricting the use or dissemination of such documents through
11 INNOVA's employment agreements and policies, designating salary and labor billing rates as
12 confidential in salary sensitivity training sessions attended by ARMGA, maintaining access
13 codes and passwords to control individual access, designating certain of the material as
14 "classified" by the Department of Defense, while maintaining all electronic files in password
15 protected computers and databases. Information is accessible to INNOVA employees in the
16 course of their duties for the Department of Defense, but those employees have been the
17 subject of background checks and have received classified security clearances to perform their
18 work, and complete their projects for which INNOVA has contracted with the Department of
19 Defense.

20 28. Shortly after ARMGA's employment with INNOVA ended, and days before
21 PIPER's abrupt announcement of his departure, INNOVA was shocked to learn that its
22 contract had been awarded to another unnamed competitor. At no time prior to this surprise
23 announcement was INNOVA ever informed that it was in jeopardy of losing its contract
24 renewal, nor was INNOVA even made aware that the contract was up for bid to other
25 competitors. ARMGA had prepared INNOVA's renewal bid, but INNOVA later learned that
26 the unknown competitor who was awarded this contract was actually ARMGA
27 CONSULTING, or some other entity owned and operated by defendant ARMGA. Since that
28 time, ARMGA CONSULTING and the remaining defendants have unfairly obtained other

1 contracts, using the confidential information and trade secrets belonging to INNOVA, in
2 breach of the agreements executed by ARMGA and PIPER, and in violation of law.

3 **FIRST CLAIM FOR RELIEF**

4 **(MISAPPROPRIATION OF TRADE SECRETS)**

5 29. INNOVA hereby incorporates the allegations contained in Paragraph 1 through
6 28, above.

7 30. Through Defendants ARMGA and PIPER, Defendants had access to and used
8 INNOVA's trade secrets without INNOVA's knowledge or permission, for the purpose of
9 unlawfully competing against INNOVA.

10 31. Defendants' conduct constitutes the misappropriation of INNOVA's trade
11 secrets in violation of the Uniform Trade Secrets Act. Cal. Civ. Code § 3426 *et seq.*

12 32. INNOVA took reasonable efforts to maintain the secrecy of its confidential
13 customer information, including, but not limited to obtaining written promises from ARMGA
14 and PIPER not to use or disclose INNOVA's confidential and trade secret customer
15 information for anything other than the benefit of INNOVA, conducting sensitivity training
16 about the confidential and competitive value of INNOVA's salary and labor rate information,
17 and restricting access to confidential information and documents through passwords and access
18 codes.

19 33. Defendants ARMGA and PIPER were obligated by the terms of their
20 Employment Agreements and the Personnel Policy Manual to maintain the secrecy of
21 INNOVA's trade secrets and confidential information, including customer information.

22 34. Further, the information that Defendants unlawfully took and used is available
23 only on a need-to-know basis, and access was limited to Defendants ARMGA and PIPER by
24 use of a password protected computer system, and its unlawful use by ARMGA and PIPER is
25 in direct contravention of specific provisions of the INNOVA Employee Policy Manual, which
26 ARMGA and PIPER previously acknowledged having read and understood.

27 35. As a proximate result of Defendants' unlawful actions, INNOVA has suffered
28 damages, in an amount well in excess of \$75,000.00.

1 36. INNOVA has been, and continues to be, irreparably harmed by Defendants'
2 misappropriation and use of INNOVA's trade secrets and, pursuant to Cal. Civ. Code §
3 3426.2, is therefore entitled to injunctive relief permanently enjoining Defendants and anyone
4 acting in concert with them from using or disclosing such information, and requiring
5 defendants to return INNOVA's confidential and trade secret information to INNOVA.

6 37. Defendants' misappropriation of INNOVA's trade secrets has been willful,
7 entitling INNOVA to an award of its attorneys' fees and costs under Cal. Civ. Code § 3426.4.

8 **SECOND CLAIM FOR RELIEF**

9 **(BREACH OF FIDUCIARY DUTY)**

10 38. INNOVA hereby incorporates the allegations contained in Paragraphs 1-37
11 above.

12 39. As employees and agents of INNOVA, ARMGA and PIPER each owed a duty
13 of loyalty to their employer and principal, INNOVA.

14 40. As part of that duty of loyalty, ARMGA and PIPER owed INNOVA a duty not
15 to compete with INNOVA during the term of their employment with INNOVA, or otherwise
16 further the interests of competitors of INNOVA while they remained employed by INNOVA.

17 41. ARMGA and PIPER breached their duty of loyalty by misappropriating
18 INNOVA's confidential information trade secrets, and by actively working to compete against
19 INNOVA while employed by INNOVA. ARMGA and PIPER further breached their duty of
20 loyalty by assisting ARMGASYS and ARGMA CONSULTING and operating a side business
21 with them, while employed by INNOVA.

22 42. As a result of ARMGA and PIPER's breach of duty of loyalty, INNOVA has
23 been injured in an amount in excess of \$75,000.00.

24 **THIRD CLAIM FOR RELIEF**

25 **(BREACH OF CONTRACT)**

26 43. INNOVA hereby incorporates the allegations contained in Paragraphs 1-42
27 above.

28 44. ARMGA and PIPER agreed, as part of their employment, not to disclose or use

1 INNOVA's customer information after termination of their employment, and not to solicit
2 INNOVA's employees or clients during or after termination of their employment.

3 45. While employed by INNOVA and thereafter, ARMGA and PIPER accessed,
4 used, copied and misappropriated INNOVA's confidential customer and project information,
5 and subsequently used that information on behalf of themselves for their own gain and profit.

6 46. INNOVA fully performed its obligations under its Employment Agreements
7 with ARMGA and PIPER.

8 47. ARMGA and PIPER materially breached their obligations to INNOVA, as
9 alleged above.

10 48. As a proximate result of defendants' ARMGA and PIPER's breach, INNOVA
11 has suffered damages, in excess of \$75,000.00.

12 **FOURTH CLAIM FOR RELIEF**

13 **(TRADE LIBEL)**

14 49. INNOVA hereby incorporates the allegation of paragraphs 1 through 48 above.

15 50. On information and belief, commencing in or about December 2010, defendants
16 ARMGA and PIPER, in concert with defendants ARMGASYS and ARMGA CONSULTING,
17 began a campaign of slandering INNOVA to INNOVA's customer, making false and
18 defamatory remarks to INNOVA's customer concerning INNOVA's ability to perform work
19 for its customer competently, cost effectively, timely, and efficiently. Defendants ARMGA
20 and PIPER falsely asserted that INNOVA did not have the capability to meet customer
21 expectations as to the pricing of projects, that INNOVA did not have the manpower or ability
22 to meet the customer's expectations to complete certain projects in a timely manner, that
23 INNOVA did not have experienced staff available to handle future projects for the customer in
24 an efficient and cost effective manner, and that INNOVA had designed its project management
25 with unnecessary and inflated expense.

26 51. These statements were false and defamatory. These statements disparaged
27 INNOVA's professional competence and integrity.

28 52. Each of the statements made by Defendants to INNOVA's customer was false,

1 and defendants knew each statement was false when made.

2 53. As a proximate result of Defendants' false and defamatory statements,
3 INNOVA lost an expected contract award worth approximately \$500,000 in revenue, and has
4 lost additional contract awards in 2011 and 2012 whose value would have been approximately
5 \$500,000. In addition to this lost revenue, INNOVA suffered a loss of reputation and goodwill
6 with its customer, the result of which has been to reduce INNOVA's revenues from contract
7 awards from that customer.

8 54. In making the false and defamatory statements alleged herein, Defendants acted
9 with oppression, fraud and malice, warranting an award of punitive damages in an amount
10 sufficient to punish and make an example of them, and to deter such misconduct by others.

11 **FIFTH CLAIM FOR RELIEF**
12 **(INTENTIONAL INTERFERENCE WITH**
13 **PROSPECTIVE ECONOMIC ADVANTAGE)**

14 55. INNOVA hereby incorporates the allegations contained in Paragraph 1-54
15 above.

16 56. INNOVA had an economic relationship with its clients, and Defendants had
17 knowledge of this relationship.

18 57. INNOVA had a probability of future economic benefit as a result of its
19 relationship with its clients. ARMGA and PIPER were privy to INNOVA'S communications
20 with its customer concerning future contract awards from the customer, and they knew that
21 INNOVA had a probability of future economic benefit through continued contract awards from
22 the customer.

23 58. Defendants intentionally interfered with INNOVA's relationship with its
24 customer, using wrongful and unlawful means, including: misappropriating and using
25 INNOVA's trade secrets and confidential information; using INNOVA confidential
26 information in violation of the employment agreements and policies agreed to by ARMGA and
27 PIPER; making false and defamatory statements about INNOVA to INNOVA's customer;
28 operating a side business (whose purpose was to compete against INNOVA) while employed

1 by INNOVA, in violation of the employment agreements executed by ARMGA and PIPER;
2 deliberately destroying evidence of ARMGA's improper activities while still employed at
3 INNOVA; deliberately misrepresenting facts concerning their planned business activities to
4 INNOVA when resigning their employment, in order to prevent INNOVA from discovering
5 defendants' unlawful scheme and to prevent INNOVA from protecting its interests.

6 59. As a proximate result of Defendants' unlawful and improper acts of
7 interference, INNOVA has been damaged in an amount in excess of \$75,000.00.

8 60. Defendants' acts were willful, malicious and undertaken in knowing disregard
9 of INNOVA's rights, entitling INNOVA to an award of punitive damages in an amount
10 sufficient to punish and make an example of them and to deter such misconduct by others.

11 **SIXTH CLAIM FOR RELIEF**

12 **(UNFAIR BUSINESS PRACTICES)**

13 61. INNOVA hereby incorporates the allegations contained in Paragraph 1-60
14 above.

15 62. By engaging in the acts alleged herein, defendants engaged in unfair, unlawful
16 and fraudulent acts, which constitute unfair business practices under the Unfair Competition
17 Law, Cal. Bus. & Prof. Code §17200 *et seq.*

18 WHEREFORE, INNOVA prays for judgment against defendants as follows:

- 19 1. For compensatory damages according to proof;
- 20 2. For punitive damages;
- 21 3. For attorneys' fees and costs;
- 22 4. For a permanent injunction, prohibiting Defendants and any of Defendants'
23 employees, agents and those acting in concert with them, from disclosing or using INNOVA's
24 documents, confidential information, or trade secrets;
- 25 5. For a permanent injunction, prohibiting Defendants and any of Defendants'
26 employees, agents and those acting in concert with them, from doing business with INNOVA's
27 existing and prospective clients, for a period of one year;
- 28 6. For an accounting and disgorgement of all monies, profits and other benefits

1 obtained by defendants as a result of their wrongful conduct;

2 7. For a permanent injunction compelling Defendants to return to INNOVA any
3 and all INNOVA documents, trade secrets and confidential information in Defendants'
4 possession, custody or control;

5 8. For such other relief as the Court may deem just and proper.

6
7 DATED: May 22, 2012

CHAPIN FITZGERALD SULLIVAN & BOTTINI LLP

8
9 By: /s/ Kenneth M. Fitzgerald

10 Kenneth M. Fitzgerald, Esq.

11 Douglas J. Brown, Esq.

12 Attorneys for Plaintiff

13 InnovaSystems International, LLC
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Jury Demand

Plaintiff hereby demands a trial by jury.

DATED: May 22, 2012

CHAPIN FITZGERALD SULLIVAN & BOTTINI LLP

By: /s/ Kenneth M. Fitzgerald

Kenneth M. Fitzgerald, Esq.

Douglas J. Brown, Esq.

Attorneys for Plaintiff

InnovaSystems International, LLC

CIVIL COVER SHEET

The JS 44 civil cover sheet and the information contained herein neither replace nor supplement the filing and service of pleadings or other papers as required by law, except as provided by local rules of court. This form, approved by the Judicial Conference of the United States in September 1974, is required for the use of the Clerk of Court for the purpose of initiating the civil docket sheet. (SEE INSTRUCTIONS ON THE REVERSE OF THE FORM.)

I. (a) PLAINTIFFS

InnovaSystems International, LLC

(b) County of Residence of First Listed Plaintiff San Diego
(EXCEPT IN U.S. PLAINTIFF CASES)

(c) Attorney's (Firm Name, Address, and Telephone Number)

Chapin Fitzgerald Sullivan & Bottini LLP
[See Attachment]

DEFENDANTS

Glenn Piper, an individual; David Armga, an individual;
[See Attachment]

County of Residence of First Listed Defendant _____
(IN U.S. PLAINTIFF CASES ONLY)

NOTE: IN LAND CONDEMNATION CASES, USE THE LOCATION OF THE
LAND INVOLVED.

Attorneys (If Known)

'12CV1239 W BGS**II. BASIS OF JURISDICTION**

(Place an "X" in One Box Only)

- ☐ 1 U.S. Government Plaintiff
☐ 2 U.S. Government Defendant
☐ 3 Federal Question (U.S. Government Not a Party)
☒ 4 Diversity (Indicate Citizenship of Parties in Item III)

III. CITIZENSHIP OF PRINCIPAL PARTIES (Place an "X" in One Box for Plaintiff and One Box for Defendant)

- | | PTF | DEF | | PTF | DEF |
|---|---------------------------------------|---------------------------------------|--|---------------------------------------|---------------------------------------|
| Citizen of This State | <input checked="" type="checkbox"/> 1 | <input type="checkbox"/> 1 | Incorporated <i>or</i> Principal Place of Business In This State | <input checked="" type="checkbox"/> 4 | <input type="checkbox"/> 4 |
| Citizen of Another State | <input type="checkbox"/> 2 | <input checked="" type="checkbox"/> 2 | Incorporated <i>and</i> Principal Place of Business In Another State | <input type="checkbox"/> 5 | <input checked="" type="checkbox"/> 5 |
| Citizen or Subject of a Foreign Country | <input type="checkbox"/> 3 | <input type="checkbox"/> 3 | Foreign Nation | <input type="checkbox"/> 6 | <input type="checkbox"/> 6 |

IV. NATURE OF SUIT

(Place an "X" in One Box Only)

CONTRACT	TORTS	FORFEITURE/PENALTY	BANKRUPTCY	OTHER STATUTES
<input type="checkbox"/> 110 Insurance <input type="checkbox"/> 120 Marine <input type="checkbox"/> 130 Miller Act <input type="checkbox"/> 140 Negotiable Instrument <input type="checkbox"/> 150 Recovery of Overpayment & Enforcement of Judgment <input type="checkbox"/> 151 Medicare Act <input type="checkbox"/> 152 Recovery of Defaulted Student Loans (Excl. Veterans) <input type="checkbox"/> 153 Recovery of Overpayment of Veteran's Benefits <input type="checkbox"/> 160 Stockholders' Suits <input type="checkbox"/> 190 Other Contract <input type="checkbox"/> 195 Contract Product Liability <input type="checkbox"/> 196 Franchise	PERSONAL INJURY <input type="checkbox"/> 310 Airplane <input type="checkbox"/> 315 Airplane Product Liability <input checked="" type="checkbox"/> 320 Assault, Libel & Slander <input type="checkbox"/> 330 Federal Employers' Liability <input type="checkbox"/> 340 Marine <input type="checkbox"/> 345 Marine Product Liability <input type="checkbox"/> 350 Motor Vehicle <input type="checkbox"/> 355 Motor Vehicle Product Liability <input type="checkbox"/> 360 Other Personal Injury PERSONAL INJURY <input type="checkbox"/> 362 Personal Injury - Med. Malpractice <input type="checkbox"/> 365 Personal Injury - Product Liability <input type="checkbox"/> 368 Asbestos Personal Injury Product Liability PERSONAL PROPERTY <input type="checkbox"/> 370 Other Fraud <input type="checkbox"/> 371 Truth in Lending <input type="checkbox"/> 380 Other Personal Property Damage <input type="checkbox"/> 385 Property Damage Product Liability	<input type="checkbox"/> 610 Agriculture <input type="checkbox"/> 620 Other Food & Drug <input type="checkbox"/> 625 Drug Related Seizure of Property 21 USC 881 <input type="checkbox"/> 630 Liquor Laws <input type="checkbox"/> 640 R.R. & Truck <input type="checkbox"/> 650 Airline Regs. <input type="checkbox"/> 660 Occupational Safety/Health <input type="checkbox"/> 690 Other LABOR <input type="checkbox"/> 710 Fair Labor Standards Act <input type="checkbox"/> 720 Labor/Mgmt. Relations <input type="checkbox"/> 730 Labor/Mgmt. Reporting & Disclosure Act <input type="checkbox"/> 740 Railway Labor Act <input type="checkbox"/> 790 Other Labor Litigation <input type="checkbox"/> 791 Empl. Ret. Inc. Security Act IMMIGRATION <input type="checkbox"/> 462 Naturalization Application <input type="checkbox"/> 463 Habeas Corpus - Alien Detainee <input type="checkbox"/> 465 Other Immigration Actions	<input type="checkbox"/> 422 Appeal 28 USC 158 <input type="checkbox"/> 423 Withdrawal 28 USC 157 PROPERTY RIGHTS <input type="checkbox"/> 820 Copyrights <input type="checkbox"/> 830 Patent <input type="checkbox"/> 840 Trademark SOCIAL SECURITY <input type="checkbox"/> 861 HIA (1395ff) <input type="checkbox"/> 862 Black Lung (923) <input type="checkbox"/> 863 DIWC/DIWW (405(g)) <input type="checkbox"/> 864 SSID Title XVI <input type="checkbox"/> 865 RSI (405(g)) FEDERAL TAX SUITS <input type="checkbox"/> 870 Taxes (U.S. Plaintiff or Defendant) <input type="checkbox"/> 871 IRS—Third Party 26 USC 7609	<input type="checkbox"/> 400 State Reapportionment <input type="checkbox"/> 410 Antitrust <input type="checkbox"/> 430 Banks and Banking <input type="checkbox"/> 450 Commerce <input type="checkbox"/> 460 Deportation <input type="checkbox"/> 470 Racketeer Influenced and Corrupt Organizations <input type="checkbox"/> 480 Consumer Credit <input type="checkbox"/> 490 Cable/Sat TV <input type="checkbox"/> 810 Selective Service <input type="checkbox"/> 850 Securities/Commodities/Exchange <input type="checkbox"/> 875 Customer Challenge 12 USC 3410 <input type="checkbox"/> 890 Other Statutory Actions <input type="checkbox"/> 891 Agricultural Acts <input type="checkbox"/> 892 Economic Stabilization Act <input type="checkbox"/> 893 Environmental Matters <input type="checkbox"/> 894 Energy Allocation Act <input type="checkbox"/> 895 Freedom of Information Act <input type="checkbox"/> 900 Appeal of Fee Determination Under Equal Access to Justice <input type="checkbox"/> 950 Constitutionality of State Statutes
REAL PROPERTY <input type="checkbox"/> 210 Land Condemnation <input type="checkbox"/> 220 Foreclosure <input type="checkbox"/> 230 Rent Lease & Ejectment <input type="checkbox"/> 240 Torts to Land <input type="checkbox"/> 245 Tort Product Liability <input type="checkbox"/> 290 All Other Real Property	CIVIL RIGHTS <input type="checkbox"/> 441 Voting <input type="checkbox"/> 442 Employment <input type="checkbox"/> 443 Housing/Accommodations <input type="checkbox"/> 444 Welfare <input type="checkbox"/> 445 Amer. w/Disabilities - Employment <input type="checkbox"/> 446 Amer. w/Disabilities - Other <input type="checkbox"/> 440 Other Civil Rights PRISONER PETITIONS <input type="checkbox"/> 510 Motions to Vacate Sentence Habeas Corpus: <input type="checkbox"/> 530 General <input type="checkbox"/> 535 Death Penalty <input type="checkbox"/> 540 Mandamus & Other <input type="checkbox"/> 550 Civil Rights <input type="checkbox"/> 555 Prison Condition			

V. ORIGIN

(Place an "X" in One Box Only)

- ☒ 1 Original Proceeding
☐ 2 Removed from State Court
☐ 3 Remanded from Appellate Court
☐ 4 Reinstated or Reopened
☐ 5 Transferred from another district (specify)
☐ 6 Multidistrict Litigation
☐ 7 Appeal to District Judge from Magistrate Judgment

VI. CAUSE OF ACTION

Cite the U.S. Civil Statute under which you are filing (Do not cite jurisdictional statutes unless diversity):
28 U.S.C. § 1332

Brief description of cause:
Trade Secret Misappropriation

VII. REQUESTED IN COMPLAINT:

☐ CHECK IF THIS IS A CLASS ACTION UNDER F.R.C.P. 23

DEMAND \$

CHECK YES only if demanded in complaint:

JURY DEMAND: ☒ Yes ☐ No**VIII. RELATED CASE(S) IF ANY**

(See instructions):

JUDGE _____

DOCKET NUMBER _____

DATE

SIGNATURE OF ATTORNEY OF RECORD

05/22/2012

s/ Kenneth M. Fitzgerald

FOR OFFICE USE ONLY

RECEIPT # _____ AMOUNT _____ APPLYING IFP _____ JUDGE _____ MAG. JUDGE _____

ATTACHMENT TO CIVIL COVER SHEET
Form JS 44

I. (c) Attorneys' Firm Name , Address and Telephone Number

CHAPIN FITZGERALD SULLIVAN & BOTTINI LLP

Kenneth M. Fitzgerald, Esq. (SBN: 142505)

kfitzgerald@cfsblaw.com

Douglas J. Brown, Esq. (SBN: 248673)

dbrown@cfsblaw.com

550 West "C" Street, Suite 2000

San Diego, California 92101

Tel: (619) 241-4810

Fax: (619) 955-5318

Attorneys for Plaintiff

InnovaSystems International, LLC

DEFENDANTS

Glenn Piper, an individual;

David Armga, an individual;

ArmgaSys, Inc., an Idaho corporation;

Armga Consulting, LLC, an Idaho limited liability company